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ARIZONA CORPORATION COMMISSION

April 22, 2008

Chairman Kevin J. Martin
Commissioner Deborah Taylor Tate
Commissioner Michael Copps
Commissioner Jonathan Adelstein
Commissioner Robert McDowell

"Filed Electronically"

Federal Communications Commission
445 12th Street, SW – Portals II Building
Washington, D.C. 20544

Re: Ex Parte Communication in:

*Petition of AT&T, Inc. For Forbearance under 47 U.S.C. Section 160(c)
From Enforcement of Certain of the Commission's Cost Assignment Rules,
WC Docket 07-21.*

*Petition of BellSouth Telecommunications, Inc. For Forbearance Under
47 U.S.C. Section 160 From Enforcement of Certain of the Commission's
Cost Assignment Rules, WC Docket No. 05-342.*

*Petition of Verizon for Forbearance Under 47 U.S.C. Section 160(c) From
Enforcement of Certain of the Commission's Recordkeeping and
Reporting Requirements, WC Docket No. 07-273.*

*Petition of Qwest for Forbearance From Enforcement of the
Commission's ARMIS and 492A Reporting Requirements Pursuant to 47
U.S.C. Section 160, WC Docket No. 07-204.*

Dear Chairman Martin and Commissioners:

As Commissioners of the agency responsible for overseeing the provision of telecommunications in Arizona, we are writing to you to express our serious concerns with the petitions of AT&T Inc. ("AT&T"), BellSouth Telecommunications Inc. ("BellSouth"), Verizon and Qwest Corporation ("Qwest") seeking forbearance from many ARMIS recordkeeping and reporting requirements. While Qwest is the predominant incumbent local exchange carrier ("ILEC") serving vast portions of Arizona, Verizon also operates as an ILEC in rural portions of Arizona.

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Of utmost concern is the fact that most of these petitions appear to seek forbearance not only from ARMIS reporting requirements, but the underlying recordkeeping requirements as well, which the Arizona Corporation Commission ("Arizona Commission") and its Staff utilize in performing certain of our responsibilities under Arizona law. These ARMIS data collection or recordkeeping requirements, from which forbearance is sought, cover the Uniform System of Accounts ("USOA"), Joint Costs, Separations and Access, Service Quality, Customer Satisfaction, Infrastructure and Property Record Rules, Operating Data, Forecasts of Investment Usage, Affiliate Transaction Rules as well as Rate-of-Return Monitoring, among others. Verizon also seeks preemption of State commission authority to require much of this data as well.

The forbearance process was intended to be a vehicle for the FCC to eliminate outdated and unnecessary regulations. These petitions seek to remove recordkeeping requirements that are neither outdated or unnecessary, but that are still relied upon by State commissions and others. Verizon is still under rate of return regulation in Arizona. In addition, while Qwest is operating under a price cap plan in Arizona, every three years the Arizona Commission has been undertaking a review of that plan which includes an in-depth review of financial information to ensure that the price caps continue to be calibrated correctly. Moreover, both Qwest and Verizon are still the predominant wire-line carrier in their service areas. In fact, other than Cox Telecom, Inc. ("Cox") in Qwest's service area, there is little to no choice in the residential wire-line markets in these service areas.

The Arizona Commission has been an active participant in the Qwest Petition for Forbearance in the Denver, Minneapolis-St. Paul, Phoenix and Seattle Metropolitan Statistical Areas ("MSAs"), WC Docket No. 07-97 as well as the FCC's rulemaking to establish procedural requirements to govern proceedings for forbearance under Section 10 of the Communications Act of 1934, as amended, WC Docket No. 07-267. We have expressed our concern in these proceedings that the Bell Operating Companies ("BOCs") in particular are using the forbearance process to achieve wholesale changes to FCC rules and regulations when in fact these changes should be going through the rulemaking process. We strongly agree with the comments of other parties in these proceedings, that the type of changes sought by these petitions should be first addressed by the Separations Joint Board and then through the rulemaking process with widespread industry participation, rather than through individual petitions for forbearance where participation is very limited.

The ARMIS reporting and recordkeeping requirements which the FCC has in place are a valuable and irreplaceable resource for State commissions. As other participants in these proceedings have pointed out, there is really no effective substitute for ARMIS information. To do away with these critical recordkeeping requirements which are still relied upon by most

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industry members and regulators on a widespread basis, through a 15-month process designed to eliminate "outdated" regulations, could lead to greater turmoil and uncertainty in this industry.

We do not believe that any of the petitioners have adequately demonstrated that the criteria for forbearance are met, particularly given many of the comments filed in these Dockets which indicate that these reports are still being used and relied upon on a widespread basis. We also oppose Verizon's suggestion that the Commission preempt State commission authority to require information which States need to carry out their responsibilities under State law. Verizon's request could preclude the Arizona Commission and other State commissions from independently seeking financial data needed for effective price cap plan oversight, certain service quality data needed to ensure reliable service, affiliate transactions data needed to prevent cross-subsidization, other operational data utilized to perform a variety of other responsibilities under State law, and regional or nationwide data used to assess the carriers overall performance in relation to others.

For the reasons expressed herein, we respectfully request that you deny these petitions and address these issues through the Joint-Board process and a rulemaking proceeding. Please feel free to contact any of the undersigned to discuss this matter further.

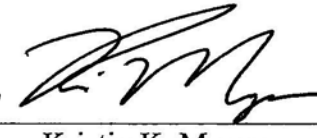
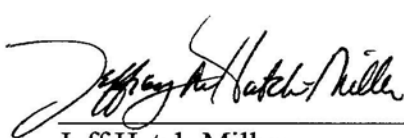
Sincerely,



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